

Test how much you know about Social Security

See if you can answer the most common questions clients pose on their benefits

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Question: Does claiming a reduced spousal benefit early affect the survivor benefit amount?

Answer: Not necessarily. Retirement benefits and survivor benefits represent two different pots of money. Even if you collect reduced retirement benefits early, survivor benefits will not be reduced if you are at least full retirement age when you collect them.

Question: Take a married couple where both spouses are 62 years old and neither has claimed Social Security. The husband dies at 62. The wife is still working and earns about \$50,000 per year — substantially less than her late husband's earnings. Should she claim survivor benefits now?

Answer: Probably not. Although she can claim survivor benefits now, they would be reduced because she collected them four years early. Plus, she is subject to the earnings cap and could lose nearly all of her benefits. She may want to wait until she turns 66 when the earnings test no longer applies to collect full survivor benefits.

Question: Would collecting survivor benefits at 66 affect her ability to accrue delayed retirement credits on her own benefits at 70?

Answer: No. She could switch to her own benefit — worth 132% of her primary insurance amount or PIA at 70 — if that would produce a bigger benefit. Retirement benefits and survivor benefits are two separate pots of money.

Question: Assume both spouses are 62 and neither has begun collecting benefits. The higher-earning husband dies at 62. The wife works part time and earns about \$15,000 per year. Should she claim survivor benefits now?

Answer: Because her personal retirement benefit is smaller than her survivor benefit, she may want to collect reduced retirement benefits now and hold off until 66 to collect full survivor benefits. That will lock in a larger benefit for the rest of her life. But she should not delay collecting survivor benefits

beyond age 66 because they will never grow any larger, as survivor benefits do not accrue delayed retirement credits.

Question: Assume a 62-year-old father has a 14-year-old child. He wants to file and suspend to trigger benefits for his son while his own benefits continue to grow up until age 70. Can he do that?

Answer: No. If he wants to file and suspend, he must wait until his full retirement age of 66 to claim benefits. Given that the boy will be 18 by then and too old to collect dependent benefits, the father may want to claim reduced benefits early, assuming he is no longer working.

But if he continues to work while collecting Social Security, he will be subject to earnings cap restrictions, which could reduce his benefits and that of his dependents, too. Social Security will withhold \$1 in benefits for every \$2 earned over \$15,480 as of 2014 for any year the recipient is younger than full retirement age for the entire year. A higher earnings cap applies in the year he turns 66 and disappears after his 66th birthday.

Question: Can a divorced woman, who was married for more than 10 years, collect benefits on her ex-husband's earnings record?

Answer: Yes, if they are both at least 62 years old, she can claim Social Security benefits based on her ex-husband's earnings record. If she is entitled to her own benefits, Social Security will pay those first. If her spousal benefit is larger than her retirement benefit, SSA would top off her benefit to bring it up to that larger amount, reduced for collecting before full retirement age.

If she wants to restrict her claim to spousal benefits only to allow her own benefits to continue to grow up to age 70, she must wait until 66 to claim. In addition, if she wants to claim benefits, but her ex-spouse has not yet collected his benefits, she must have been divorced for at least two years.